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MEMORANDUM

TO: Docket Control

FROM: Steven M. Olea
Director
Utilities Division

DATE: September 23, 2014

RE: COMPLIANCE ITEM – CONFIRMATION OF THE CORRECT PURCHASED
WATER ADJUSTOR SURCHARGE BY Q MOUNTAIN MOBILE HOME PARK
DBA Q MOUNTAIN VISTA WATER PER DECISION NO. 74605 ATTACHMENT
A DATED JULY 30, 2014. (DOCKET NO. W-02518A-13-0414)

ORIGINAL

Arizona Corporation Commission

DOCKETED

SEP 25 2014

DOCKETED BY

Staff reviewed Q Mountain Mobile Home Park dba Q Mountain Vista Water's ("Q Mountain") Purchased Water Adjustor mechanism tariff. Staff reviewed the calculations and proposed surcharge rates and confirms that Q Mountain's proposed surcharge to be collected is appropriate due to the increased costs associated with the Town of Quartzsite's rates and charges to be effective October 1, 2014. The Town of Quartzsite adopted Resolution No. 14-06, and Exhibit A to the resolution establishes the increased water fees and service charges. The Town of Quartzsite will be phasing in the rate increases over the next five years, beginning July 1 of each fiscal year. Q Mountain's Purchased Water Adjustor will be effective November 1, 2014.

Staff finds the calculation and the effective date of the Purchased Water Adjustor surcharge by Q Mountain to be correct. See attached Schedule TBH-1.

SMO:TBH:tdp\ML

Originator: Teresa B. Hunsaker

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Line	Purchased Water Cost Adjustor Mechanism Surcharges Calculations - Effective November 1, 2014	
1	Base Cost of Purchased Water	
2		
3	Base Cost of Purchased Water - Commodity Rate per 1,000 gallons:	\$ 2.37
4	Base Cost of Purchased Water - Monthly Customer Charge per month:	\$ 843.23
5		
6	Calculation of Total Purchase Water Surcharges for Median Usage Customer from Test Year 2012	
7		
8	Commodity Purchased Water Surcharge	\$ 2.17 From Line 21
9	Plus Customer Surcharge Per Month Per Customer	+ 0.94 From Line 32
10	Total Purchase Water Surcharges ¹	= \$ 3.11
11		
12	¹ Company to Apply to Current Bill at Current Usage. Example on Line 19 is Based on Median Usage.	
13		
14	Calculation of Purchase Water Commodity Surcharge	
15		
16	2014 Cost of Purchased Water per 1,000 gallon by Town ²	\$ 3.90
17	Less: Base Cost of Purchased Water per 1,000 gallons	2.37 From Line 3
18	Cost of Purchased water surcharge per 1,000 gallons	\$ 1.53
19		
20	Actual Usage for a Q Mountain Median Usage Customer divided by 1,000 then multiplied by 1.10 (Current Allowable Water Loss).	
21	Calculation: (1,290 gal / 1,000) X 1.10 ³	1.419
22	Multiplied by the Cost of Purchased water surcharge (Per 1,000 Gallons)	
23	³	X \$ 1.53
24	Cost of Purchased Water Surcharge for Median Usage Customer	= \$ 2.17 To Line 8
25		
26	² The 2014 rates and charges from the Town of Quartzsite per Ordinance 14-06.	
27	³ Actual Usage example based on Median Usage per Company. Based on Current Usage by each customer plus the current allowable water loss may not exceed 10%.	
28		
29	Calculation of Monthly Customer Base Rate Surcharge	
30		
31	2014 Cost of monthly customer base charge by Town ⁴	\$ 1,050.18
32	Less: Base Cost of monthly customer charge	843.23 From Line 4
33	Cost of Monthly Customer Surcharge per month	\$ 206.95
34	Divided by Average Number of Customers for Test Year 2012 ⁵	÷ 221
35	Customer Surcharge Per Month Per Customer	= \$ 0.94 To Line 9
36		
	⁴ The 2014 rates and charges from the Town of Quartzsite per Ordinance 14-06.	
	⁵ Company to apply Average Customers based on 2014 of 221.	